

IN THE CLAIMS:

1. (Currently amended) A method in an electronic auction for generating off-increment proxy bids, said method comprising the computer implemented steps of:
 - specifying a minimum increment for bidding on an item;
 - receiving a bid for said item from a first bidder ~~which~~ that is a current high bid for said item;
 - identifying a previously recorded proxy bid from a second bidder ~~which~~ that is greater than said current high bid ~~and less~~ but not greater than said current high bid plus said minimum increment; and
 - generating by said electronic auction an off-increment bid ~~which~~ that becomes a new high bid for said item utilizing said proxy bid, wherein said second bidder holds the new high bid for said item, further wherein said off-increment bid does not exceed said bid received from said first bidder by said minimum increment, and wherein said off-increment bid does not exceed said proxy bid.
2. (Previously presented) The method according to claim 1, wherein the step of generating an off-increment bid further comprises the steps of:
 - generating a proposed bid by said electronic auction, said proposed bid being equal to said minimum increment plus a current high bid for said item;
 - determining if said proposed bid exceeds said proxy bid; and
 - in response to a determination that said proposed bid does exceed said proxy bid, awarding said item to said second bidder for said off-increment bid, wherein said off-increment bid is equal to said proxy bid.
- 3-4. (Canceled)
5. (Currently amended) An electronic auction system for generating off-increment proxy bids, comprising:
 - a bus system;
 - a communications system connected to the bus system;

a memory connected to the bus system, wherein the memory includes a set of instructions; and

a processing unit connected to the bus system, wherein the processing unit executes the set of instructions to identify a minimum increment for bidding on an item; receive a bid received for said item from a first bidder which that is a current high bid for said item; identify a previously recorded proxy bid from a second bidder which that is greater than said current high bid and less but not greater than said current high bid plus said minimum increment; and generate an off-increment bid generated by said electronic auction which that becomes a new high bid for said item utilizing said proxy bid, wherein said second bidder holds the new high bid for said item, further wherein said off-increment bid does not exceed said bid received from said first bidder by said minimum increment, and wherein said off-increment bid does not exceed said proxy bid.

6. (Currently amended) The electronic auction system according to claim 5, ~~further comprising: wherein the processing unit further executes the set of instructions to~~ generate a proposed bid, said proposed bid being equal to said minimum increment plus a current high bid for said item; ~~said electronic auction including a CPU executing code for determining~~ determine if said proposed bid exceeds said proxy bid; and, in response to a determination that said proposed bid does exceed said proxy bid, ~~said electronic auction for awarding~~ award said item to said second bidder for said off-increment bid, wherein said off-increment bid is equal to said proxy bid.

7-8. (Canceled)

9. (Currently amended) A computer readable medium in an electronic auction including computer usable program code for generating off-increment proxy bids, said computer ~~readable medium~~ usable program code comprising:

instruction means for specifying a minimum increment for bidding on an item;

instruction means for receiving a bid for said item from a first bidder ~~which that~~ is a current high bid for said item;

instruction means for identifying a previously recorded proxy bid from a second bidder ~~which~~ that is greater than said current high bid ~~and less but not greater~~ than said current high bid plus said minimum increment; and

instruction means for generating an off-increment bid ~~which~~ that becomes a new high bid for said item utilizing said proxy bid, wherein said second bidder holds the new high bid for said item, further wherein said off-increment bid does not exceed said bid received from said first bidder by said minimum increment, and wherein said off-increment bid does not exceed said proxy bid.

10. (Previously presented) The computer readable medium according to claim 9, wherein the instruction means for generating an off-increment bid further comprises:

instruction means for generating a proposed bid, said proposed bid being equal to said minimum increment plus a current high bid for said item;

instruction means for determining if said proposed bid exceeds said proxy bid; and

instruction means for in response to a determination that said proposed bid does exceed said proxy bid, awarding said item to said second bidder for said off increment bid, wherein said off-increment bid is equal to said proxy bid.

11-12. (Canceled)

13. (Currently amended) A method of awarding an auction item to a proxy bidder in an electronic auction, the method comprising the computer implemented steps of:

specifying a minimum increment for bidding on the item;

receiving, by the electronic auction, a first bid for said item from a first bidder wherein the first bid is a first high bid;

identifying, by the electronic auction, a previously recorded proxy bid from a second bidder ~~which~~ that is greater than said first high bid ~~and less but not greater~~ than said first high bid plus said minimum increment; and

recording, by the electronic auction, the proxy bid as a ~~second~~ current high bid.

14. (Previously presented) The method of claim 13, further comprising the step of:
calculating, by the electronic auction, a proposed bid that is equal to a sum of the
first high bid and the minimum increment.
15. (Previously presented) The method of claim 14, further comprising the step of:
comparing the proposed bid with the proxy bid.
16. (Previously presented) The method of claim 15, further comprising:
determining, by the electronic auction, the proposed bid exceeds the proxy bid,
wherein the recording step is performed responsive to determining the proposed bid
exceeds the proxy bid.